

Van Meter CSD/EA

2007-2008
CEO # 589
Sector 1

In the matter of
Arbitration between;

**VAN METER COMMUNITY
SCHOOL DISTRICT**

AND

VAN METER EDUCATION ASSOCIATION

*ARBITRATION AWARD

*PERB - CEO # 589, Sector 1

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ARBITRATOR MARLA A. MADISON

REPORT DATE MAY 22, 2008

HEARING AND APPEARANCES

On May 8, 2008, I conducted an arbitration hearing with the representatives of the Van Meter Community School District and the Van Meter Education Association, held in the Van Meter High School, located in Van Meter, IA. The hearing was pursuant to the provisions of Sections 19 and 22 of the Iowa Public Employment Relations Act, Chapter 20, Code of Iowa...

Representatives for the Van Meter
Education Association:

Jim Crotty, ISEA, Uniserv Director
Rod Been, President, VMEA

Representatives for the Van Meter
Community School District:

Drew Bracken, Attorney
Greg DeTimmerman, Superintendent

During the hearing, the parties were given full opportunity to present evidence and to rebut the other party's evidence. Both parties presented written and oral exhibits. Entered into evidence were the Association's exhibits 1 through 4, and the District's exhibits, presented in a binder. The only joint exhibit is the Van Meter Education Association's contract with the Van Meter Community School District. The Van Meter Education Association presented its case first. Hereafter, in this document the Van Meter Education Association will be referred to as the VMEA, and the Van Meter CSD as the District.

The following rationale of this Arbitrator will be based upon the oral presentations of the parties and the exhibits submitted, even those not specifically referred to in this document.

BACKGROUND

The Van Meter Community School District is located in Van Meter, Iowa, located 19 miles west of Des Moines. The District has 597.8 students in certified enrollment. The entire K-12 student population is in a single complex within the building, which has three separate divisions.

The Van Meter Education Association is the certified employee organization for the 49 professional instructional employees of the District.

The parties met first on December 12, 2007. An impasse was declared on or about February 8, 2008. A mediation session was held on March 5, 2008, after which a complete agreement had not been reached.

STATEMENT OF IMPASSE ITEMS

The parties presented one impasse item to the Arbitrator. The item and the positions of the parties are as follows;

TOTAL PACKAGE INCREASE

Percent increase to the total teacher salary and benefit package.

Van Meter CSD - Arbitration proposal is a total package increase of 5.99%.

VMEA - Arbitration proposal is a total package increase of 6.25%
(with a base of \$23,700 for the 2008-2009 contract year)
Current contract for all other items and as previously agreed to.

POSITION OF VAN METER EDUCATION ASSOCIATION

The VMEA uses statutory criteria from Chapter 20 as a basis for its case. They believe their position of a total package increase of 6.25% to be most reasonable using the following:

The bargaining history of the parties over the school years 1999-2000 to 2007-2008 shows the average total package settlement for the VMEA is 4.84%, and the average RPI, the Regular Program Increase received by the District for these years is 4.42%.

As its comparability group, the VMEA uses school districts that are "five up and five down" in population, located in general proximity to Van Meter. This 10 school comparability group had an average settlement for the 2008-2009 school year of 4.77%.

In its exhibit C-9, the VMEA compares salary benchmarks using the ten schools in their comparable group. This chart shows Van Meter to be tenth in the minimal step amount, and below average in most salary lanes.

VMEA's exhibit B3 shows statewide settlement history broken down by percent change in RPI, the Regular Percent Increase, or New Money amount. The data is from the years 2003 to 2008. The statewide average settlement-for all the years included-of school districts having greater than a seven percent RPI is shown to be 5.88%. Since the RPI here in the District for the 2008-2009 school year is 11.35%, the VMEA believes the New Money amount to be critical in selecting their package proposal of 6.25% as most reasonable.

Since the RPI here in the District is the fourth highest in the state for the 2008-2009 school year, the VMEA asserts that this year it is necessary to do a comparison with schools that also have a higher than average RPI. Using the following five; Rock Valley, Waukee, Underwood, Clarksville, and Danville, all with RPI's of over 8%, the VMEA points out that the average settlement is 6.38%. The VMEA believes the RPI to be a relevant factor based on Chapter 20 criteria, and therefore, comparison with other districts having a similar RPI to be equitable, and supporting of the VMEA's position of a package increase of 6.25% being most reasonable.

Ability to pay is not an issue here according to the VMEA. The District has an unspent balance of approximately \$707,000. It would be no hardship for the District to spend the \$5,531 required by the difference in the two positions.

The VMEA also refers to "factors peculiar to the area" as an argument for their proposal being most reasonable. Van Meter is nineteen miles from Des Moines, and lies within "The Golden Circle", an area described by the Des Moines Register as a readership area ringing Des Moines and the metro region, extending out to about 60 miles from Des Moines. This area receives their publication with all its sales fliers, and therefore much of its population travels to the Des Moines area frequently for shopping and entertainment. And, Des Moines being only 19 miles from Van Meter, it is not unusual for people living there to drive to Van Meter for employment.

POSITION OF VAN METER CSD

The District believes that its final offer of a total package increase of 5.99% is fair and appropriate, and is in line with average trend lines across the state and within their comparable group. District New Money is the increase in the regular program budget from one year to the next. This year the District has the highest amount of New Money they have had during the years of 2001 to the present year, 2008, 11.35%. The District's exhibit 7 shows the average New Money for this same time period was 4.40%, the highest total package amount given the teachers was 5.25%, with an average of 4.57%. This chart also reveals a fluctuating RPI, so the District cannot depend on consistent enrollment increases with the accompanying increases in New Money. The District points out that the New Money must not only cover raises for teachers and other staff but must also cover other increasing expenditures.

Looking at comparison of VMEA's wages with that of comparable districts, the District uses the next ten larger and the next ten smaller in the state as its comparison group. This method has been used in the past by the parties and the District believes comparisons should be limited to that method this year. Conference schools also are an appropriate method of comparison according to the District, but the District disagrees with the VMEA that using schools with similar New Money as a comparability group is an appropriate comparison. In the District's Exhibit, I-35 School Arbitration, Arbitrator Nancy D. Powers agrees with the District that use of schools with similar RPI's is not a fair comparison. She adds that using districts with similar new money is faulty since these districts may be widely varying in size and location.

The District concludes that the VMEA compares very well with comparable schools at most salary benchmarks using the functional base of Step 3, and the impact of the practice of some schools including Phase II monies in salary schedules. Taking these factors into consideration, the District rates in the top half of all comparison schools. The District is not claiming inability to pay for the VMEA's proposal, but rather that it has a

limited ability to pay for salary and benefits increases outside the parameters of what the comparison groups and statewide settlement trends dictate. The District believes that those parameters should be observed. The District supports its offer of 5.99% as being more closely aligned with comparable and statewide data

STATUTORY CRITERIA

Arbitrators in the state of Iowa traditionally refer to the criteria set forth for arbitrators in Section 22.9 of the Act. That Statutory Section provides as follows:

The Arbitrator or panel shall consider, in addition to other relevant factors, the following factors,

- 1) Past collective bargaining contracts between the parties, including the bargaining that lead up to such contracts.
- 2) Comparison of wages, hours, and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and classification involved.
- 3) The interests and welfare of the public, the ability of the public employer to finance economic adjustments, and the effect of such adjustments on the normal standard of services.
- 4) The power of the public employer to levy taxes and appropriate funds for the conduct of its operations
- 5) Any other relevant factors.

Statutory Arbitrators under Iowa Code 20.21 have generally used these same factors in formulating recommendations. Subject to these provisions, this Arbitrator recommends as follows;

DISCUSSION

The VMEA proposal of 6.25% for the 2008-2009 school year and the Districts of 5.99% for that same time period, are only a difference of \$5,500. Looking at this small difference, it is troublesome that considering their history of amiable negotiations, the parties could not reach an agreement. Each side claims its position to be the most reasonable.

Judging reasonableness using statutory criteria, the following discussion ensues:

1. **Bargaining History.** Based upon charts in both parties exhibits, the bargaining history in Van Meter shows an average package increase for the VMEA of 4.84%, using the VMEA's figures and 4.57%, using the Districts figures. The difference in these averages is the school year 1999-2000, which is included in the VMEA's chart and excluded in the Districts. The District has eliminated this school year from its chart in order to use only years reflecting the tenure of the current superintendent. Using the District's average of 4.57%, the proposed increase by the VMEA is 1.68% over the average increase historically, and the District's proposal is 1.42% above the average. Both are generous increases appropriate to a school year with a large RPI. Using the VMEA's figure of 4.84%, the increases become 1.41% over the average for the VMEA and 1.25% above the average for the District. In the school year omitted in the District's chart, 1999-2000, the District had a higher than normal RPI and the total package settlement amount was 5.80%, resulting in the average for the settlement history for these years being higher than when it is excluded. Again, using this chart, although somewhat lower than results excluding the 1999-2000 school year, the settlements are still above the norm and appropriate for a school district with an RPI above average for this school year.

2. **Comparability.** The parties are using different comparability groups to make their cases. The District uses the ten up, ten down statewide method that the parties have agreed to in past negotiations. The VMEA uses 5up and 5down, schools that are, like Van Meter, in near proximity to Des Moines. Using either comparability group, both parties positions for settlement are at least 1% above the average.

In looking at salary benchmarks, the VMEA includes the minimal step of \$24,244, which has become an artificial step as all teachers are now hired at step three, the result of which is that no one is on the first two steps. Taking these factors into account, the District's chart of salary benchmarks using step three would seem to be most accurate. The inclusion of the artificial steps in calculating salary benchmarks ends up casting an unfavorable light upon how Van Meter teachers fare using either comparability group. Using Conference schools, Van Meter ranks either first or second at every benchmark except BA.

At the real core of the difference between the two positions is the VMEA's comparison of Van Meter with other schools having a high RPI. The VMEA states that the District New Money amount is the fourth highest in the state of Iowa, and it is appropriate to use the districts of Red Valley, Waukee, Underwood, Clarkville and Danville, all having RPI's over 8%, as a comparability group. Of this group, only one, Waukee, is within the nine county area used by the VMEA to establish its five up, five down comparability group. The other four are in far distant areas of the state. During the hearing, Waukee was discussed by the parties and referred to by the District as being non-comparable to any other area district and objected to its inclusion. The district of Waukee has no comparable in the state. It has consistent growth, and is the fastest growing district in the state of Iowa. The VMEA rebuts that even without the inclusion of Waukee, taking an average of the rest of the high New Money districts, still results in an average above the offer made by the District.

The District then points out that of the remaining four, two are 6.0 and one is 6.1, much closer to the District's than the VMEA's position. And, further, the fourth sample, at 6.8%, skews the average. The District believes that even if one were one to use this small data group, the mode would be the more appropriate indicator of the average.

So, the use of New Money schools as comparables being the essential issue in this debate, it is left for the arbitrator to decide;

- 1 Is the use of high New Money school districts an appropriate comparable?
- 2 If so, do four data samples comprise a fair representative number in determining the average, or would taking the mode as being more representative be statistically a better

method?

In response to the first question, I do not believe comparability should be done using school districts with high New Money amounts, and agree with the opinion of arbitrator Nance D. Powers on this issue. Particularly since the Districts used by the VMEA are, with the exception of Waukee, all far from the 60 mile radius of Des Moines, argued by the VMEA to be a critical factor peculiar to the area

New Money may be considered a relevant factor under Section 22.9 of the Act. And it would be a germane argument were the District offering a wage increase at or only slightly above that of the state average, the Districts comparables, or the VMEA's five up-five down comparability list. The Districts proposal of a total package amount of 5.99% is at least 1% higher than the average using any of those measurements. And it is higher than the state average over the years 2003-2007 using schools with greater than a 7% RPI.

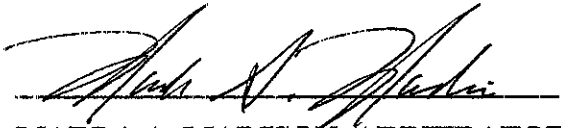
The question of statistical method thus becomes irrelevant.

3. & 4. Ability to pay. The District is not claiming an inability to pay for the difference in the two positions.

5. Other Relevant Factors. The location of Van Meter, lying within 20 miles of Des Moines, is referred to by the VMEA as a relevant factor. It could be considered by an arbitrator as a relevant factor depending on the facts of the case. But, again, I believe it would be relevant only if the total package being offered by the District were at or below averages for the state or the other comparability lists offered by the parties; the ten up-ten down list, conference list of the District or the five up-five down list offered by the VMEA. Or if Salary Benchmarks were below average using comparable schools, factoring in the artificial steps in the Van Meter salary schedule.

ARBITRATION AWARD

For all the reasons listed above, I hereby award the offer of the Van Meter Community School District, a total package increase of 5.99%, as most reasonable, effective July 1, 2008 through June 30, 2009


MARLA A. MADISON, ARBITRATOR

May 23, 2008

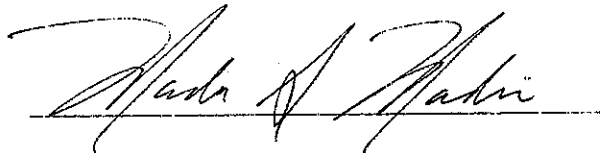
CERTIFICATE OF SERVICE

I hereby certify that on June 23, 2008, I sent a copy of the above report and award to the following parties by mailing a copy to them at their respective addresses show below

Public Employment Relations Board
510 E 12th Street, Ste. 1B
Des Moines, IA 50319

Jim Crotty,
777 Third Street
Des Moines, IA 50309

Drew Bracken
100 Court Avenue, Suite 600
Des Moines, IA 50309

A handwritten signature in cursive script, appearing to read "Marla A. Madison", is written over a horizontal line.

MARLA A. MADISON
June 23 2008